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ASPHALT MATERIALS FROM MEXICO

SUPPLY THREATENED BY CARRANZA

21-2081

Remarks of Ira Jewell Williams, of Philadelphia, before
the Roofers' Association, Hotel McAlpin, New York
City, on January 20, 1920.

"Of the twenty-score Americans killed in Mexico in Carranza's time more than a full score of them have been murdered in the oil fields. Disarmed, alone, these brave fellow-countrymen, of yours and mine, have faced the nameless dread of death and given their lives in time of war, that their country might live. And the oil came out, and on that oil-a sea of oil-the Allies floated to victory."

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"If Mexico is held to own the oil, what follows? Mexico may be in hostile hands and may deny us access in time of greatest need in war or peace, or may transfer, by later act, inalienable titles that may fall into enemy hands."

"The menace is not merely to you or to us, but to our future and to our country. We want nothing that belongs to Mexico or Mexicans."

Source Unknown

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ASPHALT MATERIALS FROM MEXICO

I have recently come from Mexico; and I cannot accept the theories which you see advanced now and then, sometimes by radicals, sometimes by pacifists, sometimes by well intentioned but misinformed people, that Carranza is a good ruler and that Mexico is a happy and contented land.

Your interest today is in hearing something of but a single phase of Carranza's conflict with Americans, and that is his bold movement against the American-owned oil fields of Mexico—a movement which, if successful will mean as Mr. Mark L. Requa said a day or so ago, “*an incalculable National calamity to America.*” Your interest is not merely because *you have looked to petroleum from Mexico for the asphalt materials essential to the continuance of your roofing enterprises*, but because as Americans you will realize the nature and extent of *the tragedy to the United States*, on land, at sea, in time of peace and in time of war, in industry and in transportation, *if the ownership of this vast supply of raw material should pass from the hands of Americans into the control of the Nationals of any other Nation*, whether Mexican, German, Japanese, or whatsoever.

In 1918, 412,000,000 barrels of petroleum were consumed in the United States. This was just 68,000,000 barrels in excess of the production of the United States. Of this difference, of 68,000,000, 30,000,000 came from storage in this country and 38,000,000 came from Mexico. The 6,000,000 motor vehicles now in use in the United States it is anticipated will be increased by one million per annum. Three hundred million gallons of gasoline used by such motor vehicles came from Mexican oil. If not interfered with, Mexican oil could furnish in 1920, at least one-half billion gallons of gasoline. Seventeen American railroads are now

using fuel oil from Mexico. The Shipping Board at the end of 1920 will be taking fuel oil at the rate of 40,000,000 barrels per annum. A day or two ago I received a telephone message to the effect that ships of the Shipping Board are now in harbor unable to move for lack of fuel oil. Fuel oil is being consumed along the Atlantic seaboard in the most important industries of the world at the rate of 60,000,000 barrels per annum. The United States imported 60,000,000 barrels of crude petroleum from Mexico in 1919, most of which was refined and the products therefrom consumed along the Atlantic seaboard. Five million barrels of asphalt materials are used each year for roofing purposes in the United States; almost all comes from Mexican crude.

And this petroleum came from wells *owned* by Americans. (The product of British owned wells does not come to the United States.)

Wells *owned* I say by Americans—not under concessions, but by purchase or lease from private owners. *None of the oil rights of Americans in Mexico arise from concession.* Luis Cabrera within the week has referred to “oil concessions” and that “some of the concessionaires are not now exercising their concessions.” But Ambassador Fletcher has said *there are no American oil concessions in Mexico.* And I know that Ambassador Fletcher is right.

Our American State Department has in repeated diplomatic exchanges emphasized our *ownership* of petroleum and petroleum rights, and protested against the arbitrary and unwarranted attempt of Carranza to despoil Americans.

And these petroleum properties were acquired by Americans not only in strict accordance with existing laws, but as the fruition of gallant and adventurous pioneering efforts, in which Americans risked their lives and fortunes, throwing their all upon the green table of Nature, and by discovery and hazardous development justified their faith.

Americans poured in their gold in streams, sometimes hoping against hope, and gave up their lives while superior Mexican geologists and others looked on and sneered at the “fool gringos;” and the fool gringos won, and the

petroleum they lawfully acquired is theirs and ours by every right, natural and divine, by every law of God and man.

And when we had won and the years passed and we builded terminals and pipe lines and pumping stations and boiler rooms and tanks—the whole gigantic box of splendid toys for manly men to glory in—then Envy and Covetousness entered into the hearts of those who had not had either daring or foresight.

When the Red radical Constitution of Queretaro of 1917 came to be written, an American muck raker, Lincoln Steffens, wrote into that Constitution the notorious Article XXVII, under which those now in power in Mexico—in power by the grace of America—are attempting to take from Americans the ownership of petroleum. And they are trying to force Americans to surrender their rights as American citizens and accept in lieu of *ownership* a revocable license to them *as Mexicans* or as *Mexican corporations*.

That is the attempt: to say to Americans, who now own things, you must give them up but we shall be so generous as to let you incorporate *Mexican* corporations which may secure revocable mining licenses or privileges in the lands which are yours.

The effects are incalculable, the damage irreparable, to ourselves and to our posterity.

If Mexico is held to own the oil, what follows? Mexico may be in hostile hands and may deny us access in time of greatest need in war or peace, or may transfer, by later act, inalienable titles that may fall into enemy hands.

What will become of our Navy and our merchant fleet, our industries and our railroads, in time of peril and of dire need? The Allies, it is said, “floated to victory on a sea of oil.” And that oil came from Mexico. Suppose Carranza had had the right under international law to say: “A neutral nation may not itself, though its citizens may, furnish contraband of war, to a belligerent. We can’t let any of Mexico’s oil go to the Allied Navies.” What would we have done? We could not have done evil that good might come.

And suppose Mexico should accomplish her attempted spoliation, and then cancel the worthless mining licenses issued to us as Mexican companies—we having been obliged to waive any right or to appeal to our own Country for diplomatic relief—and then (for millions of pesos in the pockets of these in control of Mexico—in control, by force of arms, of the machinery of “government”) transfer the properties to their friends the Germans, or to the Japanese. What then? Would Mr. Requa be right that it would be a “National calamity?”

This is no will-o'-the-wisp of impossibility, no bogie of the mind. I have watched the Carranza group for nearly three years, in defiance of the protests of our State Department and in violation of common right, relentlessly pursue their avowed policy of confiscation.

I have seen them by decree after decree declare that Americans must under penalty of forfeiture or risk of forfeiture do acts which would amount to an abandonment of their claim of ownership—their ownership asserted and maintained by the American State Department.

I have seen the Carranza group, by every shrewd subterfuge and cynical device of coercion attempt to make it so unbearable for Americans that they must come as whipped dogs to the heel of the victorious Carranzistas.

But the Carranzistas were waging war against Americans, against Americans good and true. And the Americans shut their teeth, and highly resolved that while their properties might be taken away from them, they would never surrender them. For they believed and believe that to do that would be false to their country and to their country's flag.

And they have been abused and shot at and murdered—of the twenty score Americans killed in Mexico in Carranza's time more than a full score of them have been murdered in the oil fields. Disarmed, alone, these brave fellow-countrymen, of yours and mine, have faced the nameless dread of death and given their lives in time of war, that their country might live. And the oil came out, and on that oil—a sea of oil—the Allies floated to victory.

This, gentlemen, is my message today:

The menace is not merely to you or to us, but to our future and to our Country. We want nothing that belongs to Mexico or Mexicans. Mexico under Carranza is trying to take what belongs to America and Americans. And so Carranza has sent his soldiers to stop the drilling of wells, and has refused permits unless we would agree in advance to an unknown law which we were convinced would be in confiscation of our rights. And today old wells have gone to water, new wells may not be brought in because of military force, and we are facing, many of us, idle pipe lines, pumping stations, terminals and tanks and the American people are facing the serious lack of the life blood of industry and transportation—petroleum.

This is the unequal warfare which has been waged and is being waged against Americans by Carranza, the recognized "government" of Mexico. This is the Epic of Petroleum. And so I say to you, business men, as one business man to business men, as a believer in the high ideals of business men, at home and abroad, did we do well to fight this fight? And have we not fought a good fight?

Thank you, fellow Americans. In you must we put our trust; in your sense of fair play and justice and in your demand that in this as in all things, there shall be fair play and justice.



NOTE.—While as intimated in remarks before the Roofers' Association, on Tuesday, January 20, 1920, temporary drilling permits have been granted, the solution is not a permanent one and the principal question remains.

Under the temporary permits, drilling operations may be resumed without prejudice until the new petroleum law is passed by the Mexican Congress. This Congress convenes in September of 1920, and it is impossible to tell how long its deliberations will take, or whether a petroleum law will be passed.

In case the threatened legislation should be enacted, its effect will be to deprive American producers of the *ownership* of their petroleum properties purchased and paid for in good faith, prior to the new constitution of May 1, 1917, in accordance with laws as they previously existed.